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United States
Department of Defense



Afghanistan Security Forces Fund Phase III-Accountability
for Weapons Distributed to the Afghanistan National Army

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Acronyms and Abbreviations

ANA	Afghanistan National Army
ARSIC	Afghanistan Regional Security Integration Command
ASF	Afghanistan Security Forces
ASP	Ammunition Supply Point
CSTC-A	Combined Security Transition Command-Afghanistan
DSCA	Defense Security Cooperation Agency
FMS	Foreign Military Sales
IRoA	Islamic Republic of Afghanistan
LOA	Letter of Offer and Acceptance
MoD	Ministry of Defense
NATO	North Atlantic Treaty Organization



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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May 21, 2009

MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND
COMMANDING GENERAL, COMBINED SECURITY
TRANSITION COMMAND-AFGHANISTAN

SUBJECT: Afghanistan Security Forces Fund Phase III – Accountability for Weapons
Distributed to the Afghanistan National Army (Report No. D-2009-075)

We are providing this report for review and comment. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. CSTC-A comments on the draft report were responsive to all but one recommendation. As a result of the comments, we chose to revise Recommendation B. Therefore, we request that the Commanding General, CSTC-A provide comments on Recommendation B. by June 11, 2009.

If possible, send your comments in electronic format (Adobe Acrobat file only) to audj&oo@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the / Signed / symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8905 (DSN 664-8905).

A handwritten signature in black ink, reading "Paul J. Granetto", with a long horizontal line extending to the right.

Paul J. Granetto
Principal Assistant Inspector General
for Auditing



Results in Brief: Afghanistan Security Forces Fund Phase III – Accountability for Weapons Distributed to the Afghanistan National Army

What We Did

We reviewed records for 16,056 weapons in storage at Afghanistan National Army (ANA) Depot 1, and conducted a physical count of 11,134 weapons valued at \$6.8 million to determine whether the Combined Security Transition Command-Afghanistan (CSTC-A) correctly accounted for ANA weapons purchased with the Afghanistan Security Forces (ASF) Fund. We also determined whether CSTC-A properly transferred ownership of the weapons to the ASF.

What We Found

We identified material internal control weaknesses in accounting for weapons provided to the ANA. CSTC-A did not have a formal process in place to transfer weapons to the ANA. In addition, CSTC-A was unable to account for weapons, including weapons purchased with the ASF Fund. CSTC-A records did not list all weapons by serial number, and accountability systems used at ANA Depot 1 had significant data integrity problems. The CSTC-A Logistics Office has implemented corrective action to address these problems.

In addition, we identified material internal control weaknesses in the safeguarding of ANA weapons. Security at ammunition supply points built with ASF funds in Gardez, Herat, and Mazar-e-Sharif was not in compliance with DoD guidance.

What We Recommend

We recommend that CSTC-A:

- Issue formal written procedures for the accountability, control, and physical security of U.S.-supplied weapons so that there is an unbroken chain of custody from the point of

entry to the point of formal transfer to the ANA.

- Establish in the procedures a specific point of formal transfer of weapons to the ANA.
- Complete and implement ANA Depot 1 standard operating procedures for receipt, storage, and issue of munitions.
- Implement data input quality controls in the ANA Depot 1 inventory management system software to prevent duplicate serial number entries.
- Establish procedures that require the recording of weapons' serial numbers in the ANA Depot 1 inventory management system.
- Conduct a 100-percent physical inventory of weapons at the ANA Depot 1 to establish a reliable baseline.
- Develop a long-term plan of action resulting in ANA management of ANA Depot 1 operations.
- Request a security inspection of ammunition supply point facilities.

Management Comments and Our Responses

The CSTC-A Commanding General concurred with the audit recommendations and has implemented standard operating procedures to address accountability, custody, and control of weapons supplied by the United States to the Afghanistan National Army. His comments were responsive on all but one recommendation, which concerned the security at ammunition supply point facilities. Additional comments are required by June 11, 2009 as outlined in the table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Commanding General, Combined Security Transition Command-Afghanistan	B.	A.1., A.2.

Please provide comments by June 11, 2009.

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Introduction

Objectives

Our objectives for the Afghanistan Security Forces (ASF) Fund Phase III audit were to determine whether organizations in Southwest Asia given the responsibility by the U.S. Central Command for managing the ASF Fund properly accounted for the goods and services purchased using ASF Funds. We further determined whether the goods and services purchased were properly delivered to the Afghanistan National Security Forces. This report focuses on weapons purchased for the Afghanistan National Army (ANA) with the ASF Fund. See Appendix A for a discussion of the scope and methodology and Appendix B for prior coverage related to the objectives.

Background

This report is part three of a three-phase audit of the ASF Fund. In total, about \$15.3 billion was appropriated to the ASF through six Public Laws: 109-13, 109-234, 109-289, 110-28, 110-161, and 110-252. For this report, we reviewed Combined Security Transition Command-Afghanistan (CSTC-A) procedures and systems that were used to account for weapons planned for transfer to the ANA, including the transfer, storage, and issue of weapons funded using ASF funds.

In the first phase of our audit, we determined that the Under Secretary of Defense (Comptroller)/ DoD Chief Financial Officer and the Office of the Assistant Secretary of the Army (Financial Management and Comptroller) distributed \$4.7 billion of budget authority appropriated by Public Laws 109-13, 109-234, and 109-289 for the ASF Fund in compliance with provisions of the three Public Laws and appropriations law.

In the second phase of our audit, we determined that six DoD commands obligated \$1.3 billion in accordance with legal provisions in Public Laws 109-13, 109-234, and 109-289 to assist the ASF. The second phase was conducted concurrently with the third phase of our ASF Fund audit.

Audit Coordination

This audit was performed in conjunction with the efforts of the Government Accountability Office and the DoD Inspector General Munitions Assessment Team. We aligned the objectives of the ASF Fund Phase III audit with the overall U.S. Government effort to review the accountability for weapons purchased with ASF funds. During April 2008, the DoD Inspector General Munitions Assessment Team evaluated the accountability and controls over munitions planned for transfer to the ASF. The results of their visit were published in October 2008. The Government Accountability Office reviewed DoD and Department of State documents relating to accountability procedures and practices, reviewed contractor reports on efforts to train the ASF on accountability, and met with cognizant U.S. and Afghan Government officials during their visit to Afghanistan in August 2008. The GAO issued their report in January 2009. On the basis of the Munitions Assessment Team's preliminary findings, we performed a detailed

review of policies and procedures for handling weapons and conducted an inventory of weapons stored at ANA Depot 1 in June 2008 (See Figure 1). CSTC-A took corrective action based on our initial audit results. The Munitions Assessment Team visited Afghanistan during March 2009 following up on the prior DoD Inspector General and GAO recommendations, assessing the status of weapon accountability in Afghanistan. The results of that review will be published in July 2009.



Figure 1. Weapons Housed at ANA Depot 1

Afghanistan Security Forces Fund

Public Laws 109-13, 109-234, 109-289, 110-28, 110-161, and 110-252 appropriated monies for the ASF Fund. The funds allowed for the provision of equipment; supplies; services; training; and facility repair, renovation, and construction. The weapons purchased for the ANA fall under the equipment portion of the ASF Fund appropriation. See Appendix C for information on the Pseudo-Foreign Military Sales (FMS) process.

Combined Security Transition Command-Afghanistan

The CSTC-A mission is, in partnership with the Islamic Republic of Afghanistan (IRoA) and key partner nations and organizations, to plan, program, and implement force generation that establishes an enduring and self-sustaining capability in the ASF.

Guidance for Inventory Control

The United States Law, DoD Instructions, and Army Regulations provide guidance requiring all persons entrusted with the management of Government property to maintain adequate controls and accountability for property under their control. See Appendix D for the guidance concerning inventory control.

Review of Internal Controls

We identified material internal control weaknesses for CSTC-A as defined by DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," January 4, 2006, as they applied to the audit objective. DoD Instruction 5010.40 states that internal controls are the organization policies and procedures that help program and financial managers achieve results and safeguard the integrity of their programs. CSTC-A did not have a process in place to officially transfer weapons to the ANA; lacked accountability for ANA weapons issued by and stored at ANA Depot 1; and required security improvements at Ammunition Supply Points (ASPs) in Gardez, Herat, and

Mazar-e-Sharif. Implementing our recommendations will improve the internal controls over the transfer of custody and accountability of weapons provided to the ANA and improve security at ASPs throughout Afghanistan. We will provide a copy of the report to the senior CSTC-A official responsible for internal controls.

Finding A. Weapons Accountability, Custody, and Control

CSTC-A did not maintain accountability, custody, and control of weapons for the ANA in accordance with DoD guidance because the command did not implement or follow serial number controls. As a result, DoD had no assurance that weapons purchased for the ANA were received or that ANA units received the correct quantity or type of weapon.

ANA Depot 1

ANA Depot 1 is the primary receiving and storage location for all Class II, IV, VI, and VII materiel¹ for the ANA. Although ANA Depot 1 is an Afghanistan Ministry of Defense (MoD) activity, the operations are managed by CSTC-A military personnel and contractor, MPRI Inc. employees. ANA personnel have been unable to assume management and operation of the ANA Depot 1 warehouse. CSTC-A officials stated that ANA Depot 1 operations were scheduled for turnover to the ANA on August 1, 2008; however, CSTC-A did not meet the turnover date. CSTC-A officials also stated that the Afghanistan MoD was not staffing ANA Depot 1 permanently, and that ANA personnel had not been afforded enough time at the depot to develop the skills or proficiency necessary to manage depot operations on their own.

The U.S. military members and contractor personnel operating ANA Depot I used an automated system known as CoreIMS to manage the weapons inventory. CoreIMS is a commercial, off-the-shelf inventory management system for small to medium warehouses that was adapted to fit the needs of the ANA. The system was designed to address warehouse needs including purchasing through receiving, managing inventory and orders, and shipping. CoreIMS allows the user to maintain and manage vendor and customer contact information in one system, including multiple addresses. The system also allows the user to generate reports that can be customized to deliver useful information to management. MPRI Inc. personnel at ANA Depot 1 maintain CoreIMS.

Serial Number Control

Although required to maintain a high degree of control over sensitive items at all times (see Appendix D for applicable guidance), CSTC-A did not maintain serial number control over weapons planned for transfer to the ANA. Figure 2 shows changes of custody and physical control that occurred without serial number control.

¹ DoD 4140.1-R, "DoD Supply Chain Materiel Management Regulation," May 23, 2003, defines the following classes of materiel: Class II – Clothing, individual equipment, tentage, organizational tool kits, hand tools, administrative, and housekeeping supplies and equipment; Class IV – Construction materials including installed equipment and all fortification and/or barrier materials; Class VI – Personal demand items (non-military sales items); Class VII – Major end items.

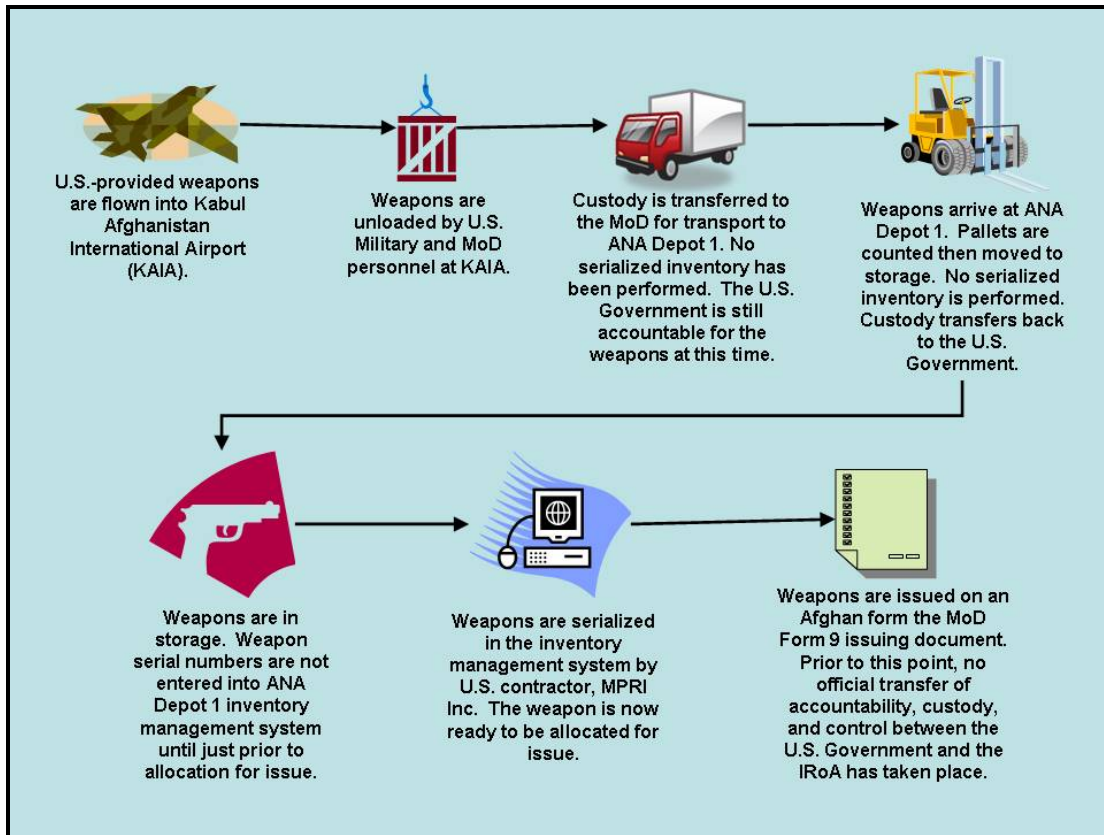


Figure 2. Weapons Change Custody From Arrival to Issue by ANA Depot 1

Chain of Custody for Controlled Inventory Items

The custody of U.S.-supplied weapons delivered to Afghanistan for transfer to the ANA changed with no formal transfer of control or responsibility for physical security. Custody changed when an MoD representative received the weapons at the Kabul International Airport and again when a DoD representative received the weapons at ANA Depot 1. On neither occasion did U.S. Government representatives or accountable ANA officers inventory the weapons or sign official documents including individual serial numbers to maintain a record of transfer to ANA.

DoD Manual 4100.39-M defines weapons as sensitive items that require a high degree of protection and control. DoD Instruction 5000.64 states that the current status and location of all sensitive items must be tracked at all times. CSTC-A has not implemented procedures to maintain control and track the current status of weapons from receipt at Kabul Afghanistan International Airport through transfer to the ANA.

Weapons custody first changed when an MoD representative received the weapons for transport at the Kabul Afghanistan International Airport. During this process, CSTC-A did not maintain a complete audit trail by serial number indicating an unbroken chain of custody for U.S.-supplied weapons from the point of entry at the airport to the point of transfer to the ANA. Documents including individual serial numbers should have been prepared to create a formal transfer between the two governments. The U.S. Government relinquished physical custody and control of the weapons by allowing the MoD to

transport the weapons to ANA Depot 1 without a U.S. Government representative accompanying the convoy.

Custody changed for the second time when DoD representatives received the weapons at the depot. Upon delivery of weapons at ANA Depot 1, pallets were stored without further identification of the contents. Immediately before the weapons were allocated for issue, MPRI Inc. representatives entered the weapons serial numbers into the ANA Depot 1 inventory management system. See Appendix E for ANA Depot 1 receiving, storage, and issuing procedures.

ANA Depot 1 Inventory Records

Because of the limited capability of the ANA to manage depot operations and maintain the ANA Depot 1 inventory management system, U.S. military mentors² and contractors were performing these duties. CSTC-A had not implemented basic inventory controls over receipt, storage, and issuance, in accordance with DoD guidance and did not achieve data integrity with the few controls in place. Specifically, ANA Depot 1 staff did not:

- conduct a physical inventory during receiving operations of all serial numbered equipment and input the serial numbers into the inventory management system at the time the weapons were received;
- record weapons' serial numbers accurately, or when necessary, create a new unique serial number, within the ANA Depot 1 inventory management system;
- send detailed packing lists of receipts to the CSTC-A Logistics Officer to reconcile order and delivery manifests; or
- verify serial numbers listed on MoD issuing documents during the issuing process.

According to senior U.S. military mentors at ANA Depot 1, insufficient staffing levels at the depot prevented CSTC-A from implementing these practices to improve overall accountability. CSTC-A had not placed adequate emphasis on maintaining accountability for weapons in storage and issued at ANA Depot 1. As a result, the ANA Depot 1 inventory records for weapons at ANA Depot 1 were inaccurate and incomplete. Specifically, the inventory management system contained incomplete serial numbers, duplicate serial numbers, and many weapons were listed simply as bulk quantities.

Incomplete and Duplicate Serial Entries

The ANA Depot 1 inventory management system contained a number of weapons' serial numbers with unusual characters such as asterisks (*). In addition, the inventory management system listed duplicate serial numbers. ANA Depot 1 management explained that weapons often arrived with serial numbers containing characters foreign to the English Language that could not be translated into an alphanumeric equivalent.

² Senior mentors are U.S. Government military personnel or contractors functioning in an advisory capacity with the ANA.

These weapons were sometimes entered into the inventory management system with an asterisk as a placeholder for the foreign character. Alternatively, if the foreign character was at the beginning of the serial number, it was omitted and the remaining portion of the serial number entered into the inventory. The omission of the foreign character caused serials to appear identical, leading to duplicate entries in inventory records.

This method of recording foreign serial numbers was not in accordance with DoD 4000.25-M, "Defense Logistics Management System," volume 2, chapter 18, "Small Arms and Light Weapons Serial Number Registration and Reporting," change 2, June 2005, or with section 2-10, paragraph b of Army Regulation 710.3, "Inventory Management Asset and Transaction Reporting System," February 25, 2008, which states:

When the foreign weapon serial number cannot be translated into alphanumeric equivalents, the UIT [unique item tracking] Central Registry will assign a serial number that will be permanently inscribed on the weapon and reported to the UIT Central Registry.

We identified 16 duplicate M16A2 serial entries in the inventory management system on June 4, 2008. The ANA Depot 1 management explanation for duplicate serial numbers could not be accurate in this case because the M16A2 is a North Atlantic Treaty Organization (NATO) standard weapon whose serial number does not contain foreign characters. With regard to duplicate serial numbers, Section 2-15, paragraph *b* of Army Regulation 710.3 states:

When the UIT Central Registry encounters duplicate serial numbers, it will request both activities to sight verify the WSNs [weapon serial numbers] and stock number of the weapon to assure report accuracy. If the weapon was reported incorrectly by one of the activities, then the appropriate correction will be prepared and forwarded by the activity in error. The correction will be submitted on the multifield correction format (transaction code K) to the UIT Central Registry. Make the necessary correction to the property book record also When determined that the WSNs were reported correctly and there is a duplicate serial number, the UIT Central Registry Office will notify one of the activities to modify the WSN. Weapons with duplicate serial numbers located in the wholesale system will be modified first, to the extent possible. The serial number on the weapon and the property book must be changed as directed by the UIT Central Registry.

Recording duplicate serial numbers in the inventory management system deviated from Army Regulation 710.3 and DoD 4000.25-M. In addition, ANA Depot 1 issued weapons with duplicate serial numbers. This created the appearance of a single weapon being distributed more than once since these weapons were indistinguishable on the MoD issuing document (the MoD Form 9) generated by the inventory management system.³

³ According to paragraph 6-11.a of the Afghan MoD Decree 4.0, "Supported and Supporting Unit Supply Policy and Support Procedures," March 20, 2005, the MoD Form 9 is used to issue supplies and materiel from depot stockage, transfer accountability from the supporting depot to the recipient, and cause shipping. It also notifies the issuing depot that the requestor got the requested materiel.

Bulk Quantity Entries

We reviewed inventory management system records for 16,056 weapons in storage at ANA Depot 1 as of April 16, 2008. We noted that 11,533 of these weapons (roughly 72 percent of those in storage), valued at \$6.8 million, were recorded as bulk quantities instead of having an individual serial number entry posted in the inventory record. ANA Depot 1 senior mentors stated that because of the lack of a sufficient work force, they did not enforce the entry of serial numbers in the inventory management system until just before the weapons were issued. Instead, depot personnel receiving weapons entered them into the inventory management system as bulk quantities and sealed them in storage containers.

Weapons in Storage

We performed a 100-percent physical count of bulk weapons in storage at ANA Depot 1 on June 2 and 4, 2008 (see Figure 3). The inventory management system reported 10,835 bulk weapons stored at ANA Depot 1. However, our count, shown in the table below, revealed that 11,134 weapons were on hand in bulk weapon storage there.

Physical Count of Bulk Weapons at ANA Depot 1

Weapon	Bulk QTY	Auditor Count	Discrepancy
Walther P38	5,000	5,005	5
RPG-7 Grenade Launcher	134	226	92
PKM Tank Mounted	87	95	8
GP25, Grenade Launcher Attachment	970	1,017	47
M203, Grenade Launcher	1,219	1,219	0
Light DShK Machine Gun	2	2	0
PKM Crew Served	389	389	0
Mortar 60mm	60	50	-10
Mortar 82mm	73	77	4
M16A2	10	10	0
M4	1,451	1,605	154
AK-47 Wooden Stock	690	689	-1
Shotgun 12 gauge	750	750	0
Total	10,835	11,134	321 *

*Total discrepancies comprise 310 weapon overages and 11 weapon shortages.

As shown in the table, of the 11,134 weapons we counted, 310 weapons were not accounted for in the inventory management system. In addition, 11 weapons accounted for in the inventory management system were not found in storage during our count. CSTC-A had accurate records for five weapon categories, but inaccurate records for eight

weapon categories. Because the baseline inventory levels for the weapon categories were incorrect, future bulk inventory levels in the inventory management system will be misstated if not adjusted.



Figure 3. Auditor Counts Weapons at ANA Depot 1

Weapons Issued to ANA Units

CSTC-A had not implemented basic inventory controls in accordance with DoD guidance and did not achieve data integrity in the ANA Depot 1 inventory management system. This caused problems reconciling issued ANA weapons shipments to supporting documents.

During our site visit to Kandahar, the Afghanistan Regional Security Integration Command (ARSIC)-South Logistics Officer stated that he noted numerous serial number discrepancies between MoD issuing documents and weapons actually received for weapons shipments to the 205th Corps. According to the ARSIC-South Logistics Officer, serial numbers for the initial shipment of 4,440 M16A2 rifles to the 205th Corps contained more than 400 discrepancies, including the following.

- The 205th Corps 2nd Brigade had 6 identical serial numbers among the 2,200 weapons on hand.
- The 3rd Brigade had 273 serial number discrepancies among the 2,196 weapons on hand.

In addition, the 4th Brigade had 21 serial number discrepancies in its initial shipment of 700 weapons from ANA Depot 1. These problems indicate that weapon serial numbers were not checked against issuing documentation at ANA Depot 1.

The ARSIC-South logistics officer stated that he could not determine whether the 3rd Brigade was missing four M16A2 rifles because of the discrepancies. He requested an accurate list of all M16A2 rifles issued to the 205th Corps; however, the CSTC-A Logistics Office personnel stated they could not provide the requested information. According to a memorandum dated May 30, 2008, from the ARSIC-South Logistics Officer, the records of the 205th Corps forward supply depot indicated that the 3rd Brigade received 2,200 weapons; however, according to his physical count only 2,196 had been accounted for.

Conclusion

The transfer of and the responsibility for the accountability and control of U.S.-supplied weapons appeared to be informally accepted by ANA at ANA Depot 1. However, because DoD guidance was not followed for the transfer of sensitive items, the accountability, control, and physical security of weapons was not properly managed; potentially misplaced, lost, and stolen weapons could not be properly tracked; and weapons were not effectively delivered to the ANA. Accountable ANA officers and U.S. Government representatives must establish the point at which ANA assumes formal accountability for and control over the transferred weapons and the U.S. Government is relieved of that responsibility.

Since accountable ANA officers and U.S. Government representatives did not establish a point at which ANA assumed formal accountability for and control over the transferred weapons, the U.S. Government was not relieved of that responsibility. Therefore, responsibility to account for U.S.-supplied weapons at ANA Depot 1 belonged to the U.S. Government.

CSTC-A did not have serial number control over weapons in storage or issued by ANA Depot 1. Specifically, the inventory records for weapons at ANA Depot 1 were inaccurate and incomplete. Weapons' serial numbers, as recorded, were erroneous, incomplete, duplicative, or missing. In addition, more than 400 serial number discrepancies were identified by the ARSIC-South Logistics Officer in 205th Corps weapon inventories issued from ANA Depot 1. These inaccuracies occurred because ANA Depot 1 management lacked controls over the receipt, storage, and issue of weapons and the data integrity of the inventory management system. Although weapons received, stored, and issued by ANA Depot 1 were subject to an increased risk of misplacement and theft, the magnitude of the accountability problem could not be determined because of poor control and poor record keeping.

Since CSTC-A did not maintain serial number control of U.S.-provided weapons, CSTC-A was unable to track with certainty the current status and location of the weapons. Warehousing and issuing of weapons are vital tasks that must be mastered by the ANA before it can become responsible for national security. Because of this, it is critical that CSTC-A work toward turning over ANA Depot 1 management to the ANA. The CSTC-A Logistics Office has implemented corrective action to address the problems identified in this finding; however, continued emphasis is needed.

Management Actions

According to the CSTC-A Logistics Office's Support Operations Officer, CSTC-A initiated the following corrective actions before the issue of this report. CSTC-A had:

- begun to draft standard operating procedures that will require an ANA accountable officer to sign for the accountability, control, and physical security of serialized weapons when the weapons are entered into the ANA Depot 1 inventory management system.

- created a Logistics Office team to:
 - conduct a 100-percent wall-to-wall inventory of ANA Depot 1 stock,
 - assist in an inventory by serial number on receipt at ANA Depot 1 rather than at issue, and
 - develop and implement a “cradle-to-grave” detailed standard operating procedure for ANA Depot 1 operations.
- issued Fragmentary Order 08-090, August 9, 2008, to all ARSIC property book officers requiring “a serial number inventory of all NATO standard weapons currently issued to the field in order to ensure accountability is established.”

In addition, the CSTC-A Logistics Office planned to:

- reconcile serial numbers on the weapons with those on packing lists on receipt and enter the serial numbers into the inventory management system; and
- conduct monthly inventories of 10 percent of weapons in stock at ANA Depot 1 and perform staff assistance visits to verify that ANA units receive accurate serial number documentation from ANA Depot 1.

DoD IG Special Plans and Operations Team

In March, 2009, the DoD IG Office of Special Plans and Operations sent a team to Afghanistan to assess weapons accountability and the train and equip mission for the ASF. During their visit, the team assessed corrective actions taken by CSTC-A to address recommendations found within this report. According to the DoD IG Special Plans and Operations team, CSTC-A made a number of improvements in accountability for ANA weapons. For example, CSTC-A implemented standard operating procedures at ANA Depot 1 that includes provisions to:

- require the U.S. military to escort weapon shipments from the airport to the storage depot,
- establish a system to account for weapons upon receipt at ANA Depot 1, and
- implement data entry controls for the inventory management system.

Recommendations, Management Comments, and Our Response

Because ANA capability to manage depot operations is limited, recommendations to CSTC-A include both short- and long-term corrective actions.

A.1. We recommend that the Commanding General, Combined Security Transition Command-Afghanistan:

- 1. Develop and implement written procedures, with advice and assistance from the Afghan Ministry of Defense, for the delivery, joint inventory, and formal transfer of U.S.-supplied weapons provided to the Afghanistan National Army that accomplish the following:**

- a. **Maintain an unbroken chain of custody from the point of entry at the Kabul Afghanistan International Airport to the point of formal transfer to the Afghanistan National Army.**

CSTC-A Comments

The CSTC-A Deputy Commanding General neither agreed nor disagreed, but stated that, prior to 2008, the Combined Forces Command-Afghanistan and CSTC-A accounted for weapons by quantity according to the command's understanding of DoD and U.S. Army guidance at that time. The Deputy Commanding General stated that CSTC-A now has documented procedures in place to account for weapons by serial number.

Our Response

We consider the CSTC-A comments responsive. The CSTC-A Deputy Commanding General provided a copy of the weapons and ammunition standard operating procedures, dated February 26, 2009. The procedures now require that CSTC-A account for weapons by serial number and provide convoy escort by the U.S. military for weapons delivery from Kabul Afghanistan International Airport to the designated depot.

- b. **Establish a specific point of formal transfer of accountability for and custody and control of U.S.-supplied weapons to the ANA.**

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that the formal transfer of accountability for custody and control of U.S.-supplied weapons to the ANA takes place when the MoD Form 9 is signed by U.S. representatives and accountable officers from the receiving unit. According to the CSTC-A Deputy Commanding General, this transfer arrangement is in compliance with MoD supply policy.

Our Response

We consider the CSTC-A comments responsive.

2. **Complete and implement the Afghanistan National Army Depot 1 standard operating procedures for receipt, storage, and issue of munitions. At a minimum, these procedures should include the following actions:**
 - a. **Perform a physical inventory of weapons and record the weapons' serial numbers in the inventory management system at the time the weapons are delivered.**

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that the standard operating procedures require a physical inventory of weapons by serial number upon delivery by the Depot Accountable Officer and verification by one other U.S. Service member, with subsequent entry into the inventory management system.

Our Response

We consider the CSTC-A comments responsive.

b. Reconcile order manifests and expected delivery manifests.

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that the standard operating procedures for weapons and ammunition require reconciliation of the delivery manifest against the items received. The command is also preparing a modification to Request for Forces 937 to shift personnel requirements to create a skilled depot management team to oversee weapons inventory and accountability at ANA Depot 1.

Our Response

We consider the CSTC-A comments responsive.

c. Verify that weapon serial numbers match the Afghan Ministry of Defense issuing documents during the issuing process.

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that command procedures require two U.S. Service members to perform serial number verification to ensure the MoD Form 9 matches what is being issued.

Our Response

We consider the CSTC-A comments responsive.

3. Implement data input quality controls in the ANA Depot 1 inventory management system software to prevent duplicate serial entries.

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed. He stated the command is currently upgrading to a more advanced version of CoreIMS scheduled to be online in March 2009. In the interim, CSTC-A has established a two-person verification system for stock record accounting. According to CSTC-A, CoreIMS is not a very capable system in its present configuration. Software and hardware upgrades are being applied, and CSTC-A anticipates having increased capability by May 2009. The CSTC-A Deputy Commanding General stated that CSTC-A implemented our recommendation to modify the existing contract by requiring improved software functionality that improves stock record accountability. The contract, awarded in late September 2008, had an initial operational clearance of December 2008. Significant challenges in hardware have pushed the expected delivery date of May 2009. According to the CSTC-A Deputy Commanding General, the current CoreIMS timeline depends on contractor delivery and fulfillment of the contract.

Our Response

We consider the CSTC-A comments responsive.

- 4. Implement data entry controls to verify the accurate recording of weapons' serial numbers in the ANA Depot 1 inventory management system.**

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated the command has updated the policy to address this recommendation and is placing command emphasis on proper policy execution and implementation.

Our Response

We consider the CSTC-A comments responsive.

- 5. Conduct a 100-percent wall-to-wall physical inventory of all weapons at the Afghanistan National Army Depot 1 to establish a reliable baseline.**
- 6. Identify all weapons' serial numbers in the course of the 100-percent wall-to-wall physical inventory, record those serial numbers in the inventory management system, and verify the accuracy of the entries.**

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that a wall-to-wall inventory of ANA Depot 1 was completed in June 2008. CSTC-A planned to conduct a wall-to-wall inventory from March 1 through 9, 2009, in order to transfer responsibility to the incoming Logistics Officer and to reestablish the baseline in the inventory management system.

Our Response

We consider the CSTC-A comments responsive.

- 7. Require that all weapons' serial numbers comply with the requirements of DoD 4000.25-M and Army Regulation 710-3 before acceptance at Afghanistan National Army Depot 1.**

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed, stating that the command is in compliance as of November 2008. CSTC-A submits serial number batches to the DoD Registry three times a month. The large volume required to be inputted into the system is time intensive. The CSTC-A Deputy Commanding General stated the command has inputted all NATO weapons that were received prior to December 2008.

Our Response

We consider the CSTC-A comments responsive.

A.2. We recommend that the Commanding General, Combined Security Transition Command-Afghanistan, develop, with advice and assistance from the Afghan Ministry of Defense, a long-term plan of action that results in the Afghanistan National Army management of Afghanistan National Army Depot 1 operations.

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated the command is building and equipping a new National Depot Complex made up of three large warehouses for the ANA this year (FY 2009) which will become the national hub for the ANA. The first warehouse was completed in March 2009. The second and third warehouses are being built; the estimated completion date is 2010. ANA management of these depots will include CSTC-A mentors to assist and advise on compliance with the ANA supply decree.

Our Response

We consider the CSTC-A comments responsive.

Finding B. Security of Weapons

ANA ASPs at Gardez, Herat, and Mazar-e-Sharif lacked the security required for weapons and ammunition. In an effort to design ammunition consolidation points for quicker truck offloading at the ANA ASPs, CSTC-A did not place adequate emphasis on security. The ammunition consolidation points created large gaps in ASP perimeter security fencing, which are contrary to DoD guidance.

Ammunition Supply Point Security

We visited the Gardez, Herat, and Mazar-e-Sharif construction sites to verify the existence of ANA ASP facilities built with ASF fund monies. At Gardez, Herat, and Mazar-e-Sharif, a chain-link security fence surrounded the ANA ASPs; however, large gaps existed in the fencing, allowing access to sensitive materiel stored at those locations (see Figure 4). DoD 5100.76-M, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives,” August 12, 2000, establishes guidance on the security for bulk storage areas. It mandates that ASP perimeters be fenced as follows:

- Fence fabric shall be chain link (galvanized, aluminized, or plastic coated woven steel) 2-inch square mesh 9-gauge diameter wire, including coating. In Europe, fencing may be North Atlantic Treaty Organization (NATO) Standard Design Fencing (2.5-3 mm gauge, 76 mm grid opening, 2-meter height, and 3.76-meter post separation).
- The minimum height of the fence fabric shall be 6 feet (excluding top guard/outrigger).
- Clear zones shall be established and shall extend a minimum of 12 feet on the outside and 30 feet on the inside (available real estate permitting).
- The perimeter fence shall have a minimum number of vehicular and pedestrian gates, consistent with operational requirements. Unless continuously guarded, gates shall be secured with locking devices approved by the DoD Components. Hinge pins shall be welded (or otherwise secured).

Ammunition Consolidation Points

CSTC-A officials stated that these unfenced areas were ammunition consolidation points designed to allow trucks to quickly offload into the unfenced area and load again and to permit the sorting of deliveries. However, not having a fence around the full perimeter of the ASP reduces the capability of the security systems to deter and delay unauthorized activities.



Figure 4. Ammunition Supply Points in Herat (left) and Mazar-e-Sharif (right) Lack Security Fencing Around the Perimeter

Summary

Contrary to guidance contained in DoD 5100.76-M, security fences for the ANA ASPs at Gardez, Herat, and Mazar-e-Sharif had large gaps and did not provide a secure perimeter.

DoD IG Special Plans and Operations Team

In March, 2009, the DoD IG Office of Special Plans and Operations sent a team to Afghanistan to assess weapons accountability and the train and equip mission for the ASF. During their visit, the team assessed corrective actions taken by CSTC-A to address recommendations found within this report. The DoD IG Special Plans and Operations team visited the ASP at Gardez which was completely enclosed with concrete barriers and had one entry control point; however, there was concertina wire around only half of the concrete barriers at a distance of 15 meters from the wall. The DoD IG Special Plans and Operations team did not visit the ASPs in Herat and Mazar-e-Sharif.

Recommendation, Management Comments, and Our Response

In response to management comments, we revised the recommendation in our draft report that CSTC-A comply with DoD 5100.76-M to improve the security of ANA ammunition supply points in Gardez, Mazar-e-Sharif, and Herat.

B. We recommend that the Commanding General, CSTC-A request that the U.S. Army Office of the Deputy Chief of Staff for Operations and Plans perform a security inspection of ASP facilities in Gardez, Herat, and Mazar-e-Sharif to determine whether these facilities comply with U.S. Army regulations. We further recommend that the inspection results be sent to the DoD Office of the Inspector General for review.

CSTC-A Comments

The CSTC-A Deputy Commanding General agreed and stated that ammunition supply points at Gardez, Herat, and Mazar-e-Sharif were designed to have either fencing or concrete-filled barriers with concertina wire around them to provide security. According to the CSTC-A Deputy Commanding General, the ammunition supply points were

designed as temporary facilities to expedite the storage of ammunition at the forward supply depots and were opened in the fall of 2007 with no holes or gaps in the perimeter fencing or walls. The CSTC-A Deputy Commanding General said the long-term solution is to provide permanent facilities to comply with DoD instructions, if DoD standards are to be applied to Afghanistan.

Our Response

We do not consider the CSTC-A comments fully responsive. According to contract clauses for the design and construction of the ASP facilities in Gardez, Herat, and Mazar-e-Sharif (contract W917PM-06-C-0034), Army Regulation 190-11, “Physical Security of Arms, Ammunition and Explosives,” February 12, 1998, applies to the construction of the ASPs. This regulation implements the guidance found in DoD 5100.76-M for fencing the perimeter of ASP facilities. In response to management’s comments, we revised our recommendation and require a response from CSTC-A.

Appendix A. Scope and Methodology

We conducted this performance audit in Afghanistan and the United States from December 2007 through April 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed the accountability for the ASF Fund-purchased weapons procured in support of the ANA as directed by Public Laws 109-13, 109-234, 109-289, 110-28, 110-161, and 110-252. We reviewed DoD and Department of the Army guidance related to weapons serialization and accountability procedures. We reviewed CSTC-A Operations Orders and the CSTC-A Campaign Plan.

In Afghanistan, we conducted fieldwork related to ANA weapons accountability from February 25 through June 4, 2008. We visited ANA Depot 1, ARSIC-South in Kandahar, ARSIC-East in Gardez, ARSIC-West in Herat, and ARSIC-North in Mazar-e-Sharif. As part of our ARSIC site visits, we visited ANA ASPs.

We interviewed U.S. Government and contractor officials regarding standard operating procedures and equipment turnover procedures. We reviewed the CSTC-A inventory management system at ANA Depot 1. We conducted physical counts of bulk weapons in storage at ANA Depot 1.

Use of Computer-Processed Data

We used the ANA Depot 1 inventory management system to generate reports. The computer-processed data in the inventory management system were unreliable for the 13 weapons models we reviewed. Of the 13 weapons models we reviewed, 8 had bulk inventory levels different from what was reported in the inventory management system, resulting in a 321-weapon discrepancy. In addition, the inventory management system contained multiple instances of incomplete and duplicate serial numbers. The data from the ANA Depot 1 inventory management system was reviewed in conjunction with other available evidence to support the opinions, conclusions, and recommendations made in this report.

Appendix B. Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), the Special Inspector General for Iraq Reconstruction (SIGIR), and the Department of Defense Inspector General (DoD IG) have issued 13 reports discussing accountability for goods and services provided to the Iraq and Afghanistan Security Forces. Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted SIGIR reports can be accessed over the Internet at <http://www.sigir.mil>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/audit/reports>.

GAO

GAO Report No. GAO-08-661, “Afghanistan Security: Further Congressional Action May Be Needed to Ensure Completion of a Detailed Plan to Develop and Sustain Capable Afghan National Security Forces,” June 2008

GAO Report No. GAO-07-711, “Stabilizing Iraq: DoD Cannot Ensure that U.S.-Funded Equipment has Reached Iraqi Security Forces,” July 2007

GAO Report No. GAO-07-582T, “Operation Iraqi Freedom: Preliminary Observations on Iraqi Security Forces’ Logistical Capabilities,” March 2007

GAO Report No. GAO-07-308SP, “Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight,” January 2007

GAO Report No. GAO-05-575, “Afghanistan Security: Efforts to Establish Army and Police Have Made Progress, but Future Plans Need to Be Better Defined,” June 2005

SIGIR

SIGIR Report No. SIGIR-06-033, “Iraqi Security Forces: Weapons Provided by the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund,” October 2006

DoD IG

DoD IG Report D-2009-050, “Distribution of Funds and the Validity of Obligations for the Management of the Afghanistan Security Forces Fund Phase II,” February 5, 2009

DoD IG Report D-2009-031, “Afghanistan Security Forces Fund Phase III – Air Force Real Property Accountability,” December 29, 2008

DoD IG Report SPO-2009-002, “Report on the Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Logistics Sustainment for the Iraq Security Forces,” December 19, 2008

DoD IG Report SPO-2009-001, "Assessment of Arms, Ammunition, and Explosives Control and Accountability; Security Assistance; and Sustainment for the Afghan National Security Forces," October 24, 2008

DoD IG Report No. SPO-2008-001, "Assessment of the Accountability of Arms and Ammunition Provided to the Security Forces of Iraq," July 3, 2008

DoD IG Report No. D-2008-026, "Management of the Iraq Security Forces Fund in Southwest Asia - Phase III," November 2007

DoD IG Report No. D-2008-012, "Distribution of Funds and Validity of Obligations for the Management of the Afghanistan Security Forces Fund-Phase I," November 2007

Appendix C. Procedures for Pseudo-Foreign Military Sales

CSTC-A uses pseudo-Foreign Military Sales (pseudo-FMS) procedures to support the ASF. These procedures differ from standard FMS procedures. FMS is a program administered by the Defense Security Cooperation Agency (DSCA) through which eligible foreign governments agree to use their funds to purchase defense articles, services, and training from the U.S. Government. The U.S. Government and foreign government sign a letter of offer and acceptance (LOA), or case, after reaching agreement on the type, cost, and other terms of the requested assistance. Each case has a unique case identifier for accounting purposes. FMS procedures for obtaining assistance using the ASF Fund are referred to as “pseudo” because the U.S. Government is not selling defense items to a foreign customer but instead to another U.S. Government entity.¹ Preparation of a pseudo-LOA, however, generally follows FMS procedures. In addition, both FMS and pseudo-FMS procedures can be used to request assistance from the commands and agencies throughout the DoD FMS community.

The process for obtaining goods and services for the ASF begins when CSTC-A sends a memorandum of request to DSCA to fund specific assistance. DSCA reviews the request for consistency with the purpose for which the cited ASF funds were appropriated. DSCA then assigns the request to a DoD implementing agency.² After the implementing agency identifies the funding and other requirements to provide the assistance and DSCA approves the pseudo-LOA, DSCA notifies the Secretary of State. Upon Department of State concurrence, DSCA directs the Defense Financial Accounting Service-Indianapolis to transfer funds from an ASF appropriation into the FMS Trust Fund for the case.³ The implementing agency then establishes the case in applicable data systems and issues instructions for executing the case.

¹ DSCA manages ASF funds after transferring them into the FMS Trust Fund. DSCA then collects an administrative fee (currently 3.8 percent of the total pseudo-FMS case value) to recover DoD expenses related to sales negotiations, case implementation, procurement, program control, computer programming, accounting and budgeting. The authorization to transfer ASF funds into the FMS Trust Fund and for DSCA to collect administrative fees is under review in DoD IG Project No. D2007-D000FD-0198.000.

² An implementing agency is the DoD Component assigned responsibility by DSCA to prepare the pseudo-LOA, establish the case, and provide overall management to ensure delivery of the materials or services set forth in an implemented pseudo-LOA.

³ A case may have many lines to individually track the funding, delivery terms, and other conditions applicable to several types of goods and services included in the request for assistance. For example, a request for vehicles could have separate lines for vehicles, spare parts, operator manuals, and other items or services.

Appendix D. Inventory Control Guidance

Section 524, Title 40, United States Code

Section 524, title 40, United States Code requires that an executive agency “maintain adequate inventory controls and accountability systems for property under its control.”

DoD Guidance

DoD 4000.25-M, “Defense Logistics Management System,” volume 2, chapter 18 “Small Arms and Light Weapons Serial Number Registration and Reporting”, change 2, June 2005, provides procedures for reporting small arms serial number data between the DoD Components and the DoD Registry. DoD 4000.25-M provides accountability guidance on small arms with missing or foreign weapon serial numbers.

DoD 4100.39-M, “Federal Logistics Information System,” volume 10, table 61, October 2008, defines small arms, ammunition, and explosives, and demolition materiel as sensitive items that require a high degree of protection and control because of statutory requirements or regulations.

DoD Instruction 5000.64, “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006, establishes policy and procedures to comply with section 524, title 40, United States Code. It states that “all persons entrusted with the management of Government property shall possess and continually demonstrate an appropriate level of competence and proficiency in property accountability and management.” In addition, accountable property records shall be established for all property purchased, or otherwise obtained that are sensitive or classified as defined in DoD 4100.39-M. Property records will be kept current and shall provide a complete trail of all transactions, suitable for audit Accountable property records shall reflect current status and location, until . . . the Component is otherwise formally relieved of accountability by authorized means”

DoD Instruction 5000.64 defines accountability as follows:

The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability on an organization or person.

DoD Instruction 5100.76, “Safeguarding Conventional Arms, Ammunition, and Explosives (AA&E) and the AA&E Physical Security Review Board,” October 8, 2005, applies to the accountability and control of AA&E and other designated sensitive items. DoD Instruction 5100.76 outlines the authorities, responsibilities, and functions

relative to worldwide uniform policy, standards, and guidance for the physical security of conventional AA&E in the possession or custody of the DoD Components.

Army Regulations

Army Regulation 710.3. “Inventory Management Asset and Transaction Reporting System,” February 25, 2008, implements applicable provisions of DoD 4000.25–2–M. This regulation “provides the DA [Department of the Army] standard procedures for reporting small arms serial number data under DoD SASP [Department of Defense Small Arms Serialization Program] as defined and required per DoD 4000.25-2–M. The DoD SASP is a DoD-wide system established to maintain small arms serial number visibility.”

Appendix E. Afghanistan National Army Depot 1 Procedures

Receipt at Afghanistan National Army Depot 1

The U.S. Government shipped weapons by air into Kabul Afghanistan International Airport for transfer to the ANA. CSTC-A and the Central Movement Agency, a Component of the IRoA MoD Logistics Command, received the weapons at the airport. A Central Movement Agency representative signed for custody of the shipment on a CSTC-A “Accountability Transfer Form.” CSTC-A and Central Movement Agency representatives signed the document but the only shipment information on the form was the number of pallets that arrived at the airport. The pallets were transported by the Central Movement Agency to ANA Depot 1 (see figure below) without being inventoried by serial number.



Weapons Arriving at ANA Depot 1 (left) Destined for the Warehouse (right).

Representatives of CSTC-A advised us that the Central Movement Agency transported the weapons received at Kabul International Airport to ANA Depot 1 for storage and accountability. U.S. military personnel were required to be present to supervise the receipt of these weapons at the depot. ANA Depot 1 staff compared the number of weapons received with the quantities of weapons reported on the documentation received with each shipment.¹ However, the staff did not open the weapon crates to perform this count. Instead, they determined the quantity of weapons received by counting the total number of crates in the delivery and then multiplying the results by the number of weapons typically contained in each crate. For NATO standard weapons, ANA Depot 1 senior mentors signed a DD Form 1348 TAC-1A but did not return the documents to the U.S. Army Security Assistance Command as receipt feedback.

On many occasions, MPRI Inc. representatives did not enter the serial numbers of weapons received into the inventory management system. The CSTC-A representatives

¹ NATO weapons were received using a DD Form 1348 TAC-1A “Issue Release/Receipt Document,” which included the quantity of weapons per shipment. Non-NATO weapons were delivered with a packing list attached which contained weapon quantities.

stated that when a partial shipment was received, they would enter the weapons as a bulk quantity into the portion of the inventory management system normally used for recording serial numbers. Since the U.S. Army Security Assistance Command often transports ASF funded weapons by air as space is available, it is not uncommon for partial shipments of weapons to arrive at Kabul International Airport.

Storage at Afghanistan National Army Depot 1

After the weapons were received at the depot, they were stored in metal cargo containers until they were allocated for issue. ANA Depot 1 weapons personnel fastened each container with a numbered seal and locked it with a U.S. Government regulation lock.

Non-NATO standard weapons did not always arrive at ANA Depot 1 in conditions deemed ready for use. ANA Depot 1 staff removed non-NATO standard weapons from storage and issued them to the Logistical Task Force Phoenix – Foreign Weapons Inspection Team for technical inspection and repair, if necessary, using a DD Form 3161 “Request for Issue or Turn-in” hand receipt. Weapons considered to be “ready for issue” were certified by the inspection team, crated along with a serialized packing slip, and turned back into the depot for entry into the inventory management system. The DD Form 3161 was re-signed to verify the return of weapons from the inspection team to ANA Depot 1.

MPRI enters serial numbers into the inventory management system just before the weapons are allocated for issue. Before this point, CSTC-A did not track individual weapons by serial number. MPRI Inc. personnel entered serial numbers into the inventory management system from the packing list attached to weapon crates (NATO standard weapons) or the slip created by the Foreign Weapons Inspection Team (non-NATO standard weapons). Since serial numbers on the documentation were not checked against the actual weapons received, serial numbers entered into the inventory management system may not have been valid. ANA Depot 1 staff stated that because of the volume and frequency of weapon deliveries, staff levels at this Depot were not sufficient to perform serial number checks. After weapon serial numbers were entered into the inventory management system, weapons were presumed ready to be allocated for issue.

Weapons Distribution Process at Afghanistan National Army Depot 1

The ANA Depot 1 distributed weapons either through an approved MoD request document² or through a CSTC-A Logistics Office distribution plan, also known as a “push” plan. Before filling a requested order at ANA Depot 1, U.S. military mentors verify that the MoD request document contains the weapons item manager’s

² The MoD uses the MoD Form 14 as its official request document. According to paragraph 8-3.d of Afghanistan MoD Decree 4.0, “Supported and Supporting Unit Supply Policy and Support Procedures,” March 20, 2005, the MoD Form 14 “is used by all units to order all commodities of materiel using the military supply system.”

authorization and signature confirming that the request was verified against the unit's Tashkil.³ Weapons distributed by push plan required review by U.S. senior mentors at ANA Depot 1 to determine a pickup date.

The U.S. senior mentors sent either MoD request documents or push plans to the stock records office at ANA Depot 1 to be filled. MPRI Inc. personnel created an ANA order number and allocated weapons for pickup in the inventory management system. ANA Depot 1 staff moved allocated weapons to the receiving unit's storage container for pickup while MPRI Inc. personnel prepared and printed the MoD issuing document for the order, complete with serial numbers, from the inventory management system. The MoD issuing document was used to release supplies and materiel from depot stock and transfer accountability from the supporting depot to the receiving ANA unit.

According to ANA Depot 1 senior mentors, both U.S. and ANA personnel at ANA Depot 1, along with a representative from the receiving ANA unit, verified that serial numbers on weapons being issued matched the MoD issuing document. However, a memorandum provided by the ARSIC-South Logistics Officer indicated that serial number verification was not performed for the recent 205th Corps orders filled at ANA Depot 1.

At the time of issue to the ANA, an ANA representative from ANA Depot 1 along with the receiving unit representative signed the MoD issuing document. However, before this point the U.S. Government never officially transferred ownership to the IROA.

³ The approved Tashkil represents the aggregate of authorized equipment allocated to ANA units. The equipment listed has been identified as the minimum required for gaining essential ANA operational capabilities and combat power.

Combined Security Transition Command-Afghanistan Comments



DEPARTMENT OF DEFENSE
COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356

CSTC-A-DCG

3 March 2009

MEMORANDUM FOR United States Department of Defense, Office of the Deputy
Inspector General for Auditing, Joint and Overseas Operations, 400 Army Navy Drive,
Arlington, Virginia 22202-4704

SUBJECT: CSTC-A Response to the Department of Defense Inspector General

1. Reference: Report on Afghanistan Security Forces Fund Phase III: Accountability for
Weapons Distributed to the Afghanistan National Army (Project No. D2007-D000LQ-
0161.005) dated 11 February 2009.

2. The purpose of this memorandum is to respond to the recommendation listed in the
referenced report. The Command's enclosed response is reflective of significant efforts
to address the shortcomings noted in the report.

3. My point of contact [REDACTED] or NIPR email
[REDACTED]

Encl


ANTHONY R. TERARDI
Brigadier General, U.S. Army
Deputy Commanding General

**Afghanistan Security Forces Fund Phase III
Accountability for Weapons Distributed to the Afghanistan National Army**

CSTC- A Comments to DoD Inspector General
Discussion Draft Report

DoD IG Finding A.1: Weapons Accountability, Custody, and Control: CSTC-A did not maintain accountability, custody, and control of weapons for the ANA in accordance with DoD guidance because the command did not implement or follow serial number controls. As a result, DoD has no assurance that weapons purchased for the ANA were received, or that ANA units received the correct quantity or type of weapon.

DoD IG Recommendation A.1.1.a: Commander, CSTC-A develop and implement written procedures, with advice and assistance from the Ministry of Defense, for the delivery, joint inventory, and formal transfer of U.S.-supplied weapons provided to the Afghanistan National Army that accomplish the following: maintain an unbroken chain of custody from the point of entry at the Kabul Afghanistan International Airport to the point of formal transfer to the Afghanistan National Army.

CSTC-A Response to DoD IG Recommendation A.1.1.a: CSTC-A Comment:

Prior to 2008, CFC-A and CSTC-A accounted for weapons by quantity according to the commands understanding of the requirement at that time. Now CSTC-A has documented procedures in place to account for weapons by serial number.

DoD IG Recommendation A.1.1.b: Commander, CSTC-A develop and implement written procedures, with advice and assistance from the Ministry of Defense, for the delivery, joint inventory, and formal transfer of U.S.-supplied weapons provided to the Afghanistan National Army that accomplish the following: establish in the procedures a specific point of formal transfer of accountability for and custody and control of U.S.-supplied weapons to the Afghanistan National Army.

CSTC-A Response to DoD IG Recommendation A.1.1.b: CSTC-A Concur: Formal transfer of accountability for custody and control of U.S. supplied weapons to the ANA takes place when the MOD Form 9 is signed by the receiving unit. This is in compliance with MOD Decrees 4.0 and 4.2.

DoD IG Recommendation A.1.2.a: Commander, CSTC-A complete and implement the Afghanistan National Army Depot 1 standard operating procedures for receipt, storage, and issue of munitions. At a minimum, these procedures should include the following action: perform a physical inventory of weapons and record the weapons serial numbers into the inventory management system at the time the weapons are delivered.

CSTC-A Response to DoD IG Recommendation A.1.2.a: CSTC-A Concur. CSTC-A procedures require a physical inventory of weapons by serial number upon delivery by the Depot Accountable Officer and verification by one other U.S. service member, with subsequent input into the inventory management system CoreIMS.

DoD IG Recommendation A.1.2.b: Commander, CSTC-A complete and implement the Afghanistan National Army Depot 1 standard operating procedures for receipt, storage, and issue of munitions. At a minimum, these procedures should include the following action: reconcile order manifests and expected delivery manifests.

CSTC-A Response to DoD IG Recommendation A.1.2.b: CSTC-A **Concurs** and is in compliance. CSTC-A weapons and ammunition SOP requires reconciliation of delivery manifest against what is actually received. The command is also preparing a modification to Request for Forces (RFF) 937 to shift personnel requirements to create a depot management team with the right skill sets to oversee weapons inventory and accountability of property arriving at Depot 1.

DoD IG Recommendation A.1.2.c: Commander, CSTC-A complete and implement the Afghanistan National Army Depot 1 standard operating procedures for receipt, storage, and issue of munitions. At a minimum, these procedures should include the following action: verify that weapon serial numbers match the Ministry of Defense issuing documents during the issuing process.

CSTC-A Response DoD IG Recommendation A.1.2.c: CSTC-A **Concurs**. CSTC-A procedures require two U.S. service members to perform serial number verification to ensure the weapon MOD Form 9 matches what is being issued.

DoD IG Recommendation A.1.3: Commander, CSTC-A implement data input quality controls in the Afghanistan National Army Depot 1 inventory management system software to prevent identical serial entries.

CSTC-A Response to DoD IG Recommendation A.1.3: CSTC-A **Concurs**. CSTC-A is currently upgrading to a more advanced version of CoreIMS scheduled to be online in March 2009. In the interim, CSTC-A has established a two person verification within stock record accounting. CoreIMS is not a very capable system in its present configuration. Software and hardware upgrades are being applied and we anticipate having increased capability by May 2009. CSTC-A followed the DoD IG's recommendation to modify the existing contract by requiring improved software functionality that improves stock record accountability. The contract, awarded in late September 2008 had an IOC of December 2008. Significant challenges in hardware have pushed the expected delivery date of May 2009. Current CoreIMS timeline is dependent on contractor delivery and fulfillment of the contract.

DoD IG Recommendation A.1.4: Commander, CSTC-A implement data entry controls to verify the accurate recording of weapons serial numbers in the Afghanistan National Army Depot 1 inventory management system.

CSTC-A Response to DoD IG Recommendation A.1.4: CSTC-A **Concurs** has updated the policy to address this recommendation and is placing command emphasis on proper execution and implementation.

DoD IG Recommendation A.1.5: Commander, CSTC-A conduct a 100-percent wall-to-wall physical inventory of all weapons at the Afghanistan National Army Depot 1 to establish a reliable baseline.

CSTC-A Response to DoD IG Recommendation A.1.5: CSTC-A Concurs and completed a wall-to-wall inventory of ANA Depot 1 in June 2008. CSTC-A is now conducting a wall-to-wall inventory from 1 – 9 March 09 in order to transfer responsibility to the incoming Accountable Officer and to re-establish the base line.

DoD IG Recommendation A.1.6: Commander, CSTC-A identify all weapons serial numbers in the course of the 100-percent wall-to-wall physical inventory; record those serial numbers in the inventory management system; and verify the accuracy of the entries.

CSTC-A Response to DoD IG Recommendation A.1.6: CSTC-A Concurs and completed a wall-to-wall inventory of ANA Depot 1 in June 2008. CSTC-A is now conducting a wall-to-wall inventory from 1 – 9 March 09 in order to transfer responsibility to the incoming Accountable Officer and to re-establish the base line.

DoD IG Recommendation A.1.7: Commander, CSTC-A require that all weapons' serial numbers comply with the requirements of DoD 4000.25-M and Army Regulation 710-3 before acceptance of at ANA Depot 1.

CSTC-A Response to DoD IG Recommendation A.1.7: CSTC-A Concurs and is in compliance as of November 2008. CSTC-A submits serial number batches to the DoD Registry three times a month. The large volume required to be inputted into the system is time intensive. We have inputted so far all NATO weapons received prior to Dec 2008.

DoD IG Recommendation A.2: Commander, CSTC-A develop, with advice and assistance from the Ministry of Defense, a long-term plan of action that results in Afghanistan National Army management of Afghanistan National Army Depot 1 operations.

CSTC-A Response to DoD IG Recommendation A.2: CSTC-A Concurs. CSTC-A is building and equipping a new National Depot Complex comprised of three large warehouses for the ANA this year (FY09). This warehouse complex commonly referred to as Depot 0 will become the national hub for ANA. The first warehouse is complete, awaiting shelving installation later this month. Second and third warehouses are in the process of construction, estimated completion date 2010. ANA management of these depots will include CSTC-A mentors to assist and advise the effect incompliance with ANA supply decree.

DoD IG Finding B: ANA ASPs at Gardez, Herat, and Mazar-e-Sharif lacked the physical security required for weapons and ammunition. In an effort to design ammunition consolidation points for quicker truck off-loading at the ANA ASPs, CSTC-A did not place adequate emphasis on security. The ammunition consolidation points

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created large gaps in ASP perimeter security fencing, which are contrary to DoD guidance. The lack of security fencing at these locations poses an unacceptable risk of theft of sensitive items and could invite attack by hostile forces.

DoD IG Recommendation B: Commander, CSTC-A comply with DoD 5100.76-M to improve the physical security of Afghanistan National Army ammunition supply points in Gardez, Mazar-e-Sharif, and Herat to prevent unauthorized activities, such as pilferage and attacks that threaten the safety and security of personnel at these locations.

CSTC-A Response to DoD IG Recommendation B: CSTC-A Concurs with the requirement for secure facilities; however ammunition supply points at GARDEZ, HERAT, and MAZAR-E-SHARIF, were designed to have either fencing or concrete filled HESCO barriers with concertina wire around them to provide security. These were designed as temporary facilities to expedite the storage of ammunition at the Forward Supply Depots and were opened in the fall of 2007 with no holes/gaps in the perimeter-fencing or walls. The long term solution is to provide permanent facilities to comply with DoD instructions, if DoD standards are to be applied to Afghanistan.

Revised
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